



## COMMISSIONERS MEETING 9-15-21



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# Agenda

- Medical/Rx
  - Stop Loss Proposals
  - Pharmacy Manager Alternatives
- Dental & Vision
- County's Other Benefits
- Recommendations

## 2022 Medical Stop-Loss Results

- USI issued RFPs to 12 medical stop-loss carriers.
- Initial Voya stop-loss proposal was 17% .
- Final Voya stop-loss proposal is .3%.
- Initial 2022 medical cost renewal projection was 1.9% increase with no changes to the PBM (pharmacy benefits manager).
- Final 2022 medical cost renewal projection is 0.4% increase with no changes to the PBM.

# 2022 Renewal Proposal - Final



		Current		Initial Renewal		Revised Renewal	
Third Party Administrator		UHC		UHC		UHC	
Stop Loss Carrier		Voya		Voya		Voya	
Fixed Costs		Enrollment	Premium	Enrollment	Premium	Enrollment	Premium
UHC Administration (PEPM)	Composite	995	\$57.05	995	\$57.05	995	\$57.05
Annual Administration Premium			\$681,177		\$681,177		\$681,177
Specific SL Premium (PEPM)	Composite	995	\$73.64	995	\$87.07	995	\$80.26
Aggregate SL Premium (PEPM)	Composite	995	\$2.46	995	\$2.46	995	\$2.46
Annual Stop Loss Premium			\$908,678		\$1,069,025		\$987,729
Change from Current					\$160,347		\$79,051
Percentage Change					17.6%		8.7%
Annual Total Fixed Costs			\$1,589,855		\$1,750,202		\$1,668,906
Change from Current					\$160,347		\$79,051
Percentage Change					10.1%		5.0%
Claims Liability		Expected	Maximum	Expected	Maximum	Expected	Maximum
Expected / Maximum Claims (PEPM)		\$1,042.36	\$1,302.95	\$1,050.87	\$1,313.59	\$1,050.70	\$1,313.37
Annual Expected / Maximum Claims		\$12,445,776	\$15,557,220	\$12,547,439	\$15,684,298	\$12,545,355	\$15,681,694
Additional Laser Liability			\$125,000		\$125,000		\$0
Annual Expected / Max Claims Total		\$12,570,776	\$15,682,220	\$12,672,439	\$15,809,298	\$12,545,355	\$15,681,694
Change from Current Expected					\$101,663		(\$25,421)
Percentage Change					0.8%		-0.2%
Total Cost		Total All Plans		Total All Plans		Total All Plans	
Annual Total Expected Costs		\$14,160,631		\$14,422,641		\$14,214,261	
Change from Current				\$262,010		\$53,630	
Percentage Change				1.9%		0.4%	
Annual Total Maximum Costs		\$17,272,075		\$17,559,500		\$17,350,599	
Change from Current				\$287,426		\$78,524	
Percentage Change				1.7%		0.5%	



DECISION  
MAKING



VISION



INNOVATION



TIMING



**MOVING  
FORWARD**



FOCUS



GROWTH

## 2022 Pharmacy Cost Recap

- Prescription drugs currently represent 35% of medical claims, compared to a national average of 22%. The 2020 average was 31%.
- Specialty drugs are a key cost driver. Currently less than 1% of members result in 51% of all pharmacy expense.
- Clermont County's current pharmacy cost of \$1.8M (annualized to \$3.6M) compared to \$3.8M in 2020.
- Employees currently pay 12% of the total cost, up from 9% in 2020.
- Total 2020 drug rebates were \$1.2M.





## 2022 Pharmacy Reduction Opportunity

Switch PBM Rx coverage from OptumRx to Elixir Pharmacy:

- Take advantage of the Rx management and “Best in Class” program.
- Rebates will be less, but both County and employees will save on cost of specialty drugs, with an estimated savings of \$675k in just one year. Excluded disruption offers members alternative drug choices in similar category and effectiveness.
- Negative disruption (increase in copay) offers members alternative options in lower copay tiers
- >99% of the pharmacy network will remain the same offering members the same pharmacy access

# 2022 Pharmacy Manager Review

Rx Claims Data: 7/1/2020 to 6/30/2021



	Optum	Elixir
Gross Drug Cost	\$4,068,907	\$4,068,907
Rx Administrative Fee	\$0	\$88,491
Member Cost (est)	(\$406,731)	(\$406,731)
<b>Rx Cost before Programs</b>	\$3,662,176	\$3,750,667
<b>Programs</b>		
Rebates (2020 Optum)	(\$1,197,300)	(\$776,188)
Utilization Management		(\$160,775)
Alternative Funding-Pt Assist		(\$1,024,556)
Copay Assistance	(\$209,860)	(\$209,860)
<b>Total Program Savings</b>	(\$1,407,160)	(\$2,171,379)
<b>Net Cost</b>	\$2,255,016	\$1,579,288
<b>Total Annualized Savings</b>		(\$675,728)
<b>Percent Savings</b>		-30.0%
<b>Avg Net Cost</b>		
PMPM	\$86.76	\$60.76
Per Rx	\$93.54	\$72.99
Avg # Members per month	2,166	2,166
Rx Count for date range	24,108	21,636

## Notes:

Administrative Fee: Per Rx \$4.09



# Medical – Option 1

For January 1, 2022 Insurance Renewal

## Preliminary Renewal Summary using Voya Stop-Loss and *No Change to the Pharmacy Benefit Manager*

Plan	Current \$	Renewal \$	\$ Change	% Change
County Admin Fee & Reserve	\$460,000	\$200,000	(\$260,000)	-56.5%
<b>UHC Administration Fee</b>	\$681,177	\$681,177	\$0	0.0%
Annual Stop Loss Premium - <b>Voya</b>	\$908,678	\$987,729	\$79,051	8.7%
Annual Total Fixed Costs	\$1,589,855	\$1,668,906	\$79,051	5.0%
Annual Expected Claims Total	\$12,445,776	\$12,545,355	\$99,579	0.8%
Annual Maximum Claims Total	\$15,557,220	\$15,681,694	\$124,474	0.8%
Annual County HSA Contribution	\$337,200	\$337,200	\$0	0.0%
Expected Rx Rebates	(\$1,197,300)	(\$1,197,300)	\$0	0.0%
Rx Specialty Drug Discount Programs	(\$209,860)	(\$209,860)	\$0	0.0%
PCORI Fee	\$5,000	\$5,000	\$0	0.0%
<b>Annual Total Expected Costs</b>	<b>\$13,430,671</b>	<b>\$13,349,301</b>	<b>(\$81,370)</b>	<b>-0.6%</b>
<b>Annual Total Maximum Costs</b>	<b>\$16,542,115</b>	<b>\$16,485,640</b>	<b>(\$56,475)</b>	<b>-0.3%</b>

- Claim costs are currently 73% of expected 2021 claim projections.
- Cost per employee per year (PEPY) is currently \$10.662, which is 15% lower than 2020.
- The County is having a good claims year; however, this reduction of claims may be contributed in part to a reduction in services during COVID.





# Medical – Option 2

For January 1, 2022 Insurance Renewal

## Preliminary Renewal Summary using Voya Stop-Loss and *Changing Pharmacy Benefit Manager*

Plan	Current \$	Renewal \$	\$ Change	% Change
County Admin Fee & Reserve	\$460,000	\$200,000	(\$260,000)	-56.5%
<b>UHC</b> Administration Fee	\$681,177	\$681,177	\$0	0.0%
Annual Stop Loss Premium - <b>Voya</b>	\$908,678	\$987,729	\$79,051	8.7%
Annual Total Fixed Costs	\$1,589,855	\$1,668,906	\$79,051	5.0%
Annual Expected Claims Total	\$12,445,776	\$12,545,355	\$99,579	0.8%
Annual Maximum Claims Total	\$15,557,220	\$15,681,694	\$124,474	0.8%
Annual County HSA Contribution	\$337,200	\$337,200	\$0	0.0%
Expected Rx Rebates	(\$1,197,300)	(\$776,200)	\$421,100	-35.2%
Rx Specialty Drug Discount Programs	(\$209,860)	(\$1,024,500)	(\$814,640)	388.2%
PCORI Fee	\$5,000	\$5,000	\$0	0.0%
<b>Annual Total Expected Costs</b>	<b>\$13,430,671</b>	<b>\$12,955,761</b>	<b>(\$474,910)</b>	<b>-3.5%</b>
<b>Annual Total Maximum Costs</b>	<b>\$16,542,115</b>	<b>\$16,092,100</b>	<b>(\$450,015)</b>	<b>-2.7%</b>

- Claim costs are currently 73% of expected 2021 claim projections.
- Cost per employee per year (PEPY) is currently \$10.662, which is 15% lower than 2020.
- The County is having a good claims year; however, this reduction of claims may be contributed in part to a reduction in services during COVID.

## 2022 Medical Plan Enhancements Options

- Add benefit for hearings aids, options below:
  - A. \$5,000 1x/3 years = est. cost increase of +0.24% (\$24,000 annually) \*
  - B. \$5,000 1x/5 years = est. cost increase of +0.20% (\$19,200 annually)
  - C. \$3,000 1x/5 years = est. cost increase of +0.10% (\$9,600 annually)
- Add optional genetic testing for mental health medication.
  - Genetic testing is proven to help providers with prescribing the correct medication based on genetics.
  - The test is \$100, paid by the plan – the cost is recuperated in the Rx savings when members are given the right medications based on their own genetics.
  - This is purely voluntary on the part of the member.

\* *This is UHC's standard benefit*



## 2022 Dental Renewal Results

- Clermont County dental plan members have expressed significant dissatisfaction with providers not participating, customer service issues and changes in claims payment procedures. As a result, USI issued Request for Proposals (RFP's) to 7 dental insurance companies.
- Two alternative dental insurers delivered favorable proposals along with 2-year rate guarantees.
- Delta Dental and MetLife are both offering improved benefits:
  - ✓ Better in & out of network benefits (currently no out of network benefits)
  - ✓ Orthodontia accumulator starting at \$0
  - ✓ Added dental implant coverage
  - ✓ Contracted discounted rates beyond the annual maximum
- Delta Dental's network is wider and more recognized with the dental community.

# 2022 Dental Renewal Options



Plan Type / Name	Dental Care Plus Current		Delta Dental with Implants and Ortho Max Reset		MetLife with Implants and Ortho Max Reset	
	Low	High	Low	High	Low	High
	HMO	HMO	PPO/ Premier	PPO/ Premier	PPO	PPO
Deductible (Individual / Family)	\$50/\$150	\$50/\$150	\$50/\$150	\$50/\$150	\$50/\$150	\$50/\$150
Waived for Preventive	Yes	Yes	Yes	Yes	Yes	Yes
Annual Maximum	\$1,000	\$1,500	\$1,000	\$1,500	\$1,000	\$1,500
Max Rollover	Not Included	Not Included	Not Included	Not Included	Not Included	Not Included
Preventive Services	100%	100%	100%	100%	100%	100%
Basic Services	80%	80%	80%	80%	80%	80%
Major Services	50%	50%	50%	50%	50%	50%
Endodontics/Periodontics	Basic	Basic	Basic	Basic	Basic	Basic
Implants	Not Covered	Not Covered	Major	Major	Major	Major
Orthodontia	Not Covered	50%	Not Covered	50%	Not Covered	50%
Eligibility	Children Only		Children Only		Children Only	
Lifetime Maximum	N/A	\$1,500	N/A	\$1,500	N/A	\$1,500
Timely Wait	None	None	None	None	None	None
<b>Non-network</b>						
Non-Network Reimbursements	Not Covered	Not Covered	Fee Schedule	Fee Schedule	90th	90th
Deductible (Individual / Family)	Not Covered	Not Covered	\$50/\$150	\$50/\$150	\$50/\$150	\$50/\$150
Annual Maximum	Not Covered	Not Covered	\$1,000	\$1,500	\$1,000	\$1,500
Prev / Basic / Major	Not Covered	Not Covered	100/80/50%	100/80/50%	100/80/50%	100/80/50%
Participation	Currently 76%		77%		78%	
Eligible Employees	1,202		1,202		1,202	
Rate Guarantee			2 Years		2 Years with 6% rate cap	

# 2022 Dental Options



	Dental Care Plus Current		Dental Care Plus Negotiated Renewal Opt 1		Delta Dental with Implants and Ortho Max Reset		MetLife with Implants and Ortho Max Reset	
	Low	High	Low	High	Low	High	Low	High
Plan Type / Name	HMO	HMO	HMO	HMO	PPO/ Premier	PPO/ Premier	PPO	PPO
<b>Monthly Rates</b>								
Employee	\$24.50	\$28.51	\$24.50	\$28.51	\$25.69	\$29.89	\$23.40	\$27.24
Employee + Spouse	\$67.19	\$78.23	\$67.19	\$78.23	\$70.45	\$82.02	\$64.17	\$74.73
Employee + Child(ren)	\$61.87	\$71.99	\$61.87	\$71.99	\$64.87	\$75.48	\$59.11	\$68.77
Employee + Spouse & Child(ren)	\$75.02	\$87.37	\$75.02	\$87.37	\$78.66	\$91.61	\$71.64	\$83.44
<b>Annual Cost</b>								
Annual Total	\$574,928		\$574,928		\$602,818		\$549,126	
Change from Current			\$0		\$27,890		-\$25,802	
Percentage Change			0.0%		4.9%		-4.5%	



## 2022 Vision Renewal Results

- USI issued RFP's to 8 vision care insurers
- Current vision provider, EyeMed has a 0% increase in 2022.
- Vision Service Plan (VSP) offers:
  - ✓ Increased benefit allowances from \$130 to \$160
  - ✓ Decrease in premium cost
  - ✓ Benefit allowances that are based on wholesale costs instead of retail
  - ✓ 4-year rate guarantee



# 2022 Vision Options



EyeMed Current			VSP
Exam Copay		\$10	\$10
Materials Copay		\$20	\$20
Exam		100%	100%
Lenses			
Single		100%	100%
Bifocal		100%	100%
Trifocal		100%	100%
Frames	100% to \$130; 20% off balance	100% to \$160; 20% off balance	
Elective Contacts	\$130 plus 15% off balance	100% to \$160	
Lasik	15% off retail; 5% off promotion	15% off retail; 5% off promotion	
Benefit Frequencies (E/L/F/C)	12/12/24/12	12/12/24/12	
Non-Network Benefits			
Eye Exam	\$40	\$45	
Lenses	\$40/\$60/\$80	\$30/\$50/\$65	
Frames	\$65	\$70	
Elective Contacts	\$100	\$105	
Rate Guarantee	Until 1-1-2023	4 Years	
Rates & Total Cost			
Employee	352	\$5.63	\$5.60
Employee + Spouse	136	\$11.83	\$11.76
Employee + Child(ren)	104	\$13.52	\$13.46
Employee + Spouse & Child(ren)	200	\$16.15	\$16.14
Total Employees	792		
Annual Total		\$98,721	\$98,381
Change from Current			-\$340
Percentage Change			-0.3%



## 2022 Other County Benefits

- The County received no increases to the following benefits for 2022:
  - Life
  - Disability
  - Voluntary life
  - Chard Snyder Cafeteria 125 Plan and FSA
  - P&A Group for COBRA administration

## Recommendations

USI HR has met with the Health Care Advisory Committee five times in 2021. The below are the resulting recommendations:

1. Renew stop-loss with Voya
2. Move the pharmacy plan from Optum to Elixir
3. Medical option 2 - Projecting significant claims savings resulting in no change to County or employee medical contributions
4. Add the hearing aid benefit
  - The HCAC's majority vote was for \$3,000 allowance every 5 years \*
5. Add the genetic testing for mental health medications
6. Move the dental to Delta Dental from DCP
7. Move the vision to VSP from EyeMed

\* UHC's standard is \$5,000 1x/3 years